

RESOLUTION NO. 08-24

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE ISSUANCE OF ITS VARIABLE RATE DEMAND REFUNDING REVENUE BONDS (ASIAN ART MUSEUM FOUNDATION OF SAN FRANCISCO) SERIES 2008, TO ASSIST IN THE REFUNDING OF THE PRIOR BONDS USED TO FINANCE AND REFINANCE THE COSTS OF THE CONSTRUCTION, DEVELOPMENT AND RENOVATION OF CERTAIN ECONOMIC DEVELOPMENT FACILITIES, PROVIDING THE TERMS AND CONDITIONS FOR THE ISSUANCE OF THE BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS

WHEREAS, the California Infrastructure and Economic Development Bank (the "Infrastructure Bank") was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following) (as now in effect and as it may from time to time hereafter be amended or supplemented, the "Act"), for the purpose of, among other things, providing financial assistance for the design, construction, financing and development of economic development facilities (as such term is defined in the Act) located in the State of California (the "State");

WHEREAS, the Asian Art Museum Foundation of San Francisco, a nonprofit public benefit corporation organized and existing under the laws of the State (the "Corporation"), has applied for the financial assistance of the Infrastructure Bank for the financing and refinancing of (i) the cost of the construction and development of a museum for the display of Asian art through the renovation of the former main library in San Francisco, California located at 200 Larkin St., San Francisco, California, (ii) the refunding of the Variable Rate Revenue Bonds, Series 2005 (Asian Art Museum of San Francisco Project) (the "Prior Bonds") issued by the Infrastructure Bank, (iii) paying credit or liquidity fees, (iv) costs of issuance of the Bonds, and (v) other related costs and expenses of the Corporation (collectively, the "Project");

WHEREAS, the Corporation requests the Infrastructure Bank to assist in financing the Project and has requested the Infrastructure Bank to authorize the issuance of one or more series of its California Infrastructure and Economic Development Bank Variable Rate Demand Refunding Revenue Bonds (Asian Art Museum Foundation of San Francisco) Series 2008 (the "Bonds") in an aggregate principal amount outstanding not to exceed \$125,000,000;

WHEREAS, the Corporation expects that the Bonds will be secured by an irrevocable direct-pay letter of credit issued by one or more commercial banks (the "Banks");

WHEREAS, approval of the terms of the Bonds and certain documents relating to the Bonds is now sought;

WHEREAS, in connection with the issuance of the Prior Bonds, the Infrastructure Bank and The Bank of New York Mellon Trust Company, N.A., as trustee thereunder, entered into that certain Indenture (the "Prior Indenture"), dated as of February 1, 2005;

WHEREAS, in connection with the issuance of the Bonds, the Infrastructure Bank and the Corporation will redeem all of the outstanding Prior Bonds;

WHEREAS, the Prior Indenture provides for the redemption of the Prior Bonds on any June 1 or December 1;

WHEREAS, the Corporation desires to provide for the redemption of the Prior Bonds on a date sooner than December 1, 2008;

WHEREAS, there is now on file with the Secretary of the Infrastructure Bank the following:

(a) a proposed form of the Loan Agreement (the "Loan Agreement") to be entered into by and between the Infrastructure Bank and the Corporation;

(b) a proposed form of the Indenture (the "Indenture") to be entered into between the Infrastructure Bank and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee");

(c) a proposed form of the Bond Purchase Agreement (the "Bond Purchase Agreement") with respect to the Bonds, to be entered into by and among the Infrastructure Bank, the Treasurer of the State of California and J.P. Morgan Securities Inc. and one or more other underwriters (collectively, the "Underwriters") and approved by the Corporation; and

(d) a proposed form of the Preliminary Official Statement with respect to the Bonds to be used in connection with the offering and sale of the Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Infrastructure Bank, as follows:

Section 1. The form of Loan Agreement on file with the Secretary of the Infrastructure Bank is hereby approved, and the Executive Director and the Chair of the Infrastructure Bank, or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Loan Agreement to the Corporation with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Infrastructure Bank, such approval to be conclusively evidenced by the delivery thereof. The Infrastructure Bank further authorizes and approves the loan of the proceeds of the Bonds to the Corporation in order to finance the cost of the Project and for the other purposes stated in the second recital hereto pursuant to the terms and provisions of the Loan Agreement.

Section 2. The form of Indenture on file with the Secretary of the Infrastructure Bank is hereby approved, and the Executive Director and the Chair of the Infrastructure Bank, or the Chair's designee, and each of them, acting alone, is hereby authorized

and empowered to execute by manual or facsimile signature and deliver to the Trustee, and the Secretary of the Infrastructure Bank is authorized to attest thereto, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Infrastructure Bank, such approval to be conclusively evidenced by the delivery thereof.

Section 3. The proposed form of Bond Purchase Agreement on file with the Secretary of the Infrastructure Bank is hereby approved, and the Executive Director and the Chair of the Infrastructure Bank, or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver one or more Bond Purchase Agreements, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Infrastructure Bank, such approval to be conclusively evidenced by the delivery thereof. The Treasurer of the State of California is hereby authorized and requested to sell the Bonds, at any time within one hundred eighty (180) days of the adoption of this Resolution, at negotiated sale, at such prices and at such initial interest rates as he may determine.

Section 4. The proposed form of the Preliminary Official Statement relating to the Bonds on file with the Secretary is hereby approved. The Executive Director and Chair of the Infrastructure Bank or the Chair's designee, and each of them acting alone, are hereby authorized, for, on behalf and in the name of the Infrastructure Bank, (a) if necessary, to execute and deliver to the Underwriters a certificate or certificates, in a form acceptable to J.P. Morgan Securities Inc., as underwriter of the Bonds, to the effect that the portion of such official statement, under the captions "THE INFRASTRUCTURE BANK" and "ABSENCE OF MATERIAL LITIGATION—The Infrastructure Bank" is deemed final as of its date for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, and (b) to sign the final Official Statement in substantially said form, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Infrastructure Bank, such approval to be conclusively evidenced by the delivery thereof to the Underwriters. The Underwriters are hereby authorized to distribute and deliver copies of said Preliminary Official Statement to prospective purchasers of the Bonds (if the Underwriters determine that the distribution and delivery of a Preliminary Official Statement is appropriate or necessary) and the Official Statement to prospective purchasers and purchasers of the Bonds.

Section 5. The Infrastructure Bank approves the issuance of the Bonds in accordance with the terms of, and to be secured by, the Indenture, in an aggregate principal amount not to exceed \$125,000,000 outstanding at any time, to assist in financing and/or refinancing the Project and for the other purposes stated in the second recital hereto. Payment of the principal of and premium, if any, and interest on the Bonds shall be made solely from payments made by the Corporation and the other sources expressly provided in the Indenture and the Bonds shall not be deemed to constitute a debt or liability of the Infrastructure Bank or the State. The Executive Director and the Chair of the Infrastructure Bank, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed to execute, in the name and on behalf of the Infrastructure Bank, by manual or facsimile signature, the Bonds in accordance with and in the form set forth in the Indenture. The Bonds shall bear interest at the rates

determined in accordance with the provisions of, mature and be subject to redemption as provided in, and be in the form set forth in the Indenture.

Section 6. The Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds so delivered by executing the certificate of authentication appearing thereon and to deliver the Bonds, when duly executed and authenticated, to the Underwriters in accordance with written instructions executed on behalf of the Infrastructure Bank by the Executive Director or the Chair of the Infrastructure Bank, or the Chair's designee, which instructions said official is hereby authorized and directed, for and in the name of and on behalf of the Infrastructure Bank, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the Underwriters upon payment of the purchase price therefor.

Section 7. Based upon representations made by the Corporation, the Board of Directors of the Infrastructure Bank hereby finds and determines that:

- (a) the Project is located in the State;
- (b) the Corporation is capable of meeting its obligations under the Loan Agreement;
- (c) the payments to be made under the Loan Agreement are adequate to pay all current expenses of the Infrastructure Bank in connection with the Bonds and to make all payments with respect to the Bonds when due;
- (d) the proposed financing and refinancing are appropriate for the Project; and
- (e) the Project is consistent with any existing local and regional comprehensive plans.

The finding in subsection (b), above, is based on the requirement that the Bonds will be secured by an irrevocable direct-pay letter of credit issued by one or more Banks rated in one of the three highest rating categories of Moody's Investors Service, Standard & Poor's Ratings Services or Fitch Ratings, Inc., without regard to numerical or other qualifiers.

Section 8. The Board of Directors of the Infrastructure Bank hereby finds and determines that the proposed financing complies with the criteria, priorities and guidelines adopted by the Infrastructure Bank pertaining to the conduit issuance of revenue bonds.

Section 9. The Executive Director and the Chair of the Infrastructure Bank, or the Chair's designee, and each of them, acting alone, is hereby authorized to execute all documents, certificates and instruments necessary or appropriate to this transaction and the issuance and sale of the Bonds.

Section 10. Subject to the satisfaction of the requirements of the Prior Indenture, the Executive Director and the Chair of the Infrastructure Bank, or the Chair's designee, and each of them, acting alone, is hereby authorized to execute an amendment (including a supplemental indenture) to the Prior Indenture to permit the redemption of the Prior Bonds on a date that is sooner than December 1, 2008, including, but not limited to, (a) an amendment of Section 5.02(a) of the Prior Indenture (which currently provides for the

redemption of the Prior Bonds on "any Interest Payment Date" (as such term is defined in the Prior Indenture)) to provide for the redemption of the Prior Bonds on "any Business Day" (as such term is defined in the Prior Indenture), (b) an amendment to the Prior Indenture to subject to the Prior Bonds to mandatory tender on any Business Day (as such term is defined in the Prior Indenture) at the option of the Corporation and (c) with the consent or waiver of each of the holders of the Prior Bonds, an amendment to the Prior Indenture to waive or eliminate the requirement of the delivery of a notice of redemption under Section 5.04 of the Prior Indenture.

Section 11. All actions heretofore taken by the officials and agents of the Infrastructure Bank with respect to the approval, issuance and sale of the Bonds are hereby approved, confirmed and ratified, and the officials of the Infrastructure Bank and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates and documents, including (without limitation) tax certificates and agreements, escrow deposit agreements and hedge identification certificates, that they, their counsel or bond counsel may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution.

Section 12. This Resolution shall take effect from and after its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the Board of Directors of the California Infrastructure and Economic Development Bank on August 21, 2008, by the following vote:


AYES: Berte, Lujano, Sheehan, Rice, Marin

NOES: None

ABSENT: None

ABSTAIN: None

By:


Stanton C. Hazelroth, Executive Director

Attest:

By:


Roma Cristia-Plant, Secretary